

~~SECRET~~

SECURITY INFORMATION

SOVIET-IRANIAN TRADE AGREEMENT

The USSR and Iran signed a new barter agreement on 10 June.

Based on Article 9 of the 1940 Trade Agreement between the two countries it governs the exchange of goods covering the period 1 April 1953 to 31 March 1954. Iran will receive agricultural machinery, sewing machines, sugar and textiles in return for fish and agricultural produces, as well as tobacco and wool. The volume of goods exchanged under this accord will be appreciably greater than under last year's agreement.

The total goods to be exchanged has been doubled, bringing the new total to over 100 million dollars. The Soviet Union today is Iran's best customer.

Iran is exporting rice, tobacco, wool, cotton, hides, lead ore, zinc ore, oil seeds, dried fruits, nuts, fish.

The USSR is exporting sugar, cotton goods, iron and steel products, machinery, cement,

~~SECRET~~

~~SECRET~~

SECURITY INFORMATION

paper, lumber, medicines, dyes, and other manufactured products.

Iranian import list includes some items which had so far not been supplied by the Soviet Union:

Agricultural machinery - \$620,000

Sewing machines- - - - \$155,000

Medicines- - - - - \$558,000

Increased Iranian imports:

	From	To
Sugar	43,000	60,000 tons
Textiles	30 million	40 million - meters
Paper	2,900	5,000 tons

Increased Iranian exports:

	From	To
<u>Lead</u>	4,000	30,000 tons
Tobacco	300	1,000 tons
Wool	3,200	4,000 tons
Cotton	4,000	5,000 tons

If recent trends continue it is apparent that Iran will become increasingly dependent on the Soviet Union for her basic import requirements. As trade between the two countries increases Iran's bargaining position will weaken.

~~SECRET~~